

**First Amendment and Extension to the  
October 1, 2000 – September 30, 2002  
Memorandum of Understanding between the  
City Prosecutors Association and the City of Long Beach**

Extend the existing Memorandum of Understanding from October 1, 2002 to October 1, 2004 with the following amendments to be effective October 1, 2002 unless otherwise indicated:

**1. Section 3 – Salaries**

The Salary Resolution will be amended to provide for the following salary increases for all bargaining unit members represented by the Association on the effective date indicated:

10/01/2003                      3%

**2. Section 5 – Health, Dental, and Life Insurance Contribution**

The City shall contribute by way of obligation for health, dental, and life insurance benefits, the maximum monthly amounts indicated below for employees in permanent full-time positions:

December 1, 2002 through November 30, 2003	\$ 535 per month
December 1, 2003 through October 1, 2004	\$ 600 per month

The benefits for the various plans and all employee payroll deductions for the period December 1, 2001 through November 30, 2002, are as recommended by the Health Insurance Advisory Committee on August 16, 2001, and approved by the City Council on August 28, 2001.

**3. Section 6 - Health Insurance Benefits**

**A - Health Insurance Advisory Committee (HIAC)**

The Association shall maintain one representative on the City's Health Insurance Advisory Committee (HIAC).

Each year the Health Insurance Advisory Committee meets to review the status and solvency of the health, dental and life insurance plans. They review plan costs and make recommendations on plan changes, benefit levels, payroll deductions, and deletion or addition of plans.

Example:

If one of the City's plans exhibits high utilization and has fewer members, it may experience rate increases that are much higher than the other plans. The Committee may evaluate several options including deletion of the plan, applying funds from the MOU Trust Account, increasing payroll deductions for those plan members, and/or make plan changes to decrease the premium costs.

Any benefit increases recommended by the Health Insurance Advisory Committee must be offset by other benefit changes and cannot increase the overall cost to the City beyond what is available in the MOU Trust Account or the City's contribution set forth above.

The Health Insurance Advisory Committee will recommend to the City Manager the benefits for the various plans and all employee payroll deductions for the period December 1, 2002 through November 30, 2004. The City Manager will forward these recommendations along with his recommendations to the City Council for approval.

**B - M.O.U. Trust Account**

If employees choose a health, dental or life benefit plan combination whose actual monthly cost is less than the maximum monthly amounts indicated above, the City shall account for the difference and hold the excess funds in a special account called the M.O.U. Trust Account. These funds will be held in the M.O.U. Trust Account and shall earn interest at the rate earned for the City's pooled investments.

In the event that the existing plan(s) premium rates increase, the additional funds to offset the higher rates will come from the funds available in the M.O.U. Trust Account. The amount taken from the M.O.U. Trust Account will be based on the recommendations made by the Health Insurance Advisory Committee which also may include plan changes and payroll deduction changes. This will continue through each benefit year until September 30, 2004, or until such time as the excess funds in the M.O.U. Trust Account are depleted to zero. If at some point in time before November 30, 2004, the M.O.U. Trust Account is depleted to zero because of premium rate increases and the City's monthly contributions are insufficient to fully fund the plans at current benefit levels, the City will be the responsible party to fund the difference in order to maintain benefit levels for the various plans and all current payroll deductions as recommended by the Health Insurance Advisory Committee effective December 1, 2001.

#### **4. Section 7 – Retirement**

##### **A. Maintenance of Existing Retirement Provisions**

For bargaining unit employees who are eligible for and enrolled in the Public Employees Retirement System (PERS) on September 30, 2000, the City will continue to provide pension benefits to said employees in accordance with the contract in effect on September 30, 2000. For the term of this MOU, the City shall continue to pay to PERS on behalf of each eligible employee, who is a PERS member, an amount equal to seven-sevenths (7/7) of his/her seven percent (7%) or subsequent to the PERS contract amendment provided for in Section I, D.1, seven-eighths (7/8) of his/her eight percent (8%) individual employee contribution, whatever is applicable.

##### **B. Report the Value of Employer-Paid Member Contribution (EPMC) – Special Compensation**

The City shall continue to designate EPMC as compensation earnable and report it as such to PERS not to exceed 7%.

##### **C. PERS Contract Amendments**

As soon as practicable or by the dates indicated, the City shall amend its contract with PERS to provide for the following benefit improvements:

1. 2.7% @ 55 modified formula in accordance with Government Code Section 21354.5 for Tier I and Tier II.
2. Upgrade Tier II employees on or about 10/01/04 as indicated below:
  - One-year final compensation – Government Code Section 20042
  - Military service credit as Public Service – Government Code Section 21024
  - Credit for unused Sick Leave – Government Code Section 20965

##### **D. Employee Required Contribution**

Government Code Section 21354.5 requires that the employee contribution increase from 7% to 8%. Soon after the MOU Amendment is

approved by the City Council, the City shall conduct an election of all Miscellaneous PERS members as set forth in Government Code Sections 20474 and 20470.

The City shall pay 7/8ths of the required individual employee contribution of 8%. The remaining 1% will be paid by the employee on October 1, 2004, but only if the City loses its super funded status and is required to again pay the employees individual contribution required by law.

**5. Term and Renegotiation**

The term of this MOU extension shall commence on October 1, 2002 and shall remain in effect through October 1, 2004. All provisions of this contract shall expire on the termination date unless extended by mutual agreement in writing.

In the event either party desires to negotiate the provision of a successor MOU, that party shall serve upon the other, during the period from April 15, 2004 to May 15, 2004, its written request to commence negotiations. Negotiations shall begin no later than thirty (30) days from date of receipt of notice unless extended by mutual agreement between the parties to this MOU.

**MEMORANDUM OF UNDERSTANDING**

**CITY OF LONG BEACH AND THE CITY PROSECUTORS ASSOCIATION**

IN WITNESS WHEREOF the parties have caused this Memorandum of Understanding to be executed this \_\_\_\_\_ day of \_\_\_\_\_, 2002.

CITY PROSECUTORS ASSOCIATION

CITY OF LONG BEACH

\_\_\_\_\_  
SHARON PANIAN  
President

\_\_\_\_\_  
HENRY TABOADA  
City Manager

\_\_\_\_\_  
WILLIAM H. STOREY  
Director of Human Resources

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KEVIN P. BOYLAN  
Manager-Personnel Operations

APPROVED AS TO FORM

\_\_\_\_\_, 2002  
ROBERT E. SHANNON, City Attorney